



**HOME BUILDERS ASSOCIATION OF CONNECTICUT, INC.**

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*Your Home  
Is Our  
Business*

FTR

January 31, 2013

To: Senator Joseph J. Crisco, Co-Chair  
Representative Robert W. Megna, Co-Chair  
Members of the Insurance & Real Estate Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: **Senate Bill 598, An Act Eliminating the Real Estate Conveyance Tax Payable to the State**

The HBRA of Connecticut is a professional trade association with about nine hundred (900) member firms statewide employing tens of thousands of CT's citizens. Our membership, residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry and to consumers, has declined over the course of our seven-year Great Recession from its high of 1,500 members. But, in good times and bad, our members build 70% to 80% of all new homes and apartments in the state each year.

**We strongly support SB 598 and its repeal of the state portion of the real estate conveyance tax.** The bill is likely dead on arrival in the Finance Committee due to the myopic nature of state budget development (i.e., the economic benefits of tax and regulatory policies that reach beyond a biennial budget rarely rise above the immediate fiscal year calculus). Nonetheless, we hope that this committee better understands the importance of housing and real estate to our state's economy. The repeal of this tax represents some relief to a heavily burdened industry and will help produce more activity in the housing and real estate sector of our economy, which in turn will produce more income and sales tax revenues for the state and property tax revenues for municipalities plus all the ancillary benefits of a more robust economy.

**The conveyance tax harms an economic recovery on which the state's long-term fiscal health is so dependent. It is a heavy financial burden on buyers and sellers of real estate.** Connecticut citizens suffer under one of the highest housing costs burdens in the nation. Connecticut's ability to keep and attract an already strained labor force is directly related to high housing prices. Home builders continue to report that buyers from other parts of the country, who are contemplating whether to take the few jobs being created in Connecticut, are experiencing "sticker shock" at our high housing prices. And this occurs at all price points throughout the housing market. Connecticut and the entire northeast is not experiencing the housing rebound so widely reported in the national news media. **Keeping the conveyance tax in place is counterproductive to Connecticut's goal of attracting business and its needed labor.**

**Reducing the conveyance tax by repealing the state portion is a sound economic and housing development strategy. We urge you to pass favorably SB 598.** Thank you for considering our comments on this important legislation, fleeting as it may be.